Mari Cantwell  
Chief Deputy Director, Health Care Programs  
California Department of Health Care Services  
P.O. Box 997413, MS 0000  
Sacramento, CA 95899-7413

Dear Ms. Cantwell:

Enclosed is an approved copy of California State Plan Amendment (SPA) 17-030, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on September 28, 2017. This SPA implements a one-year supplemental payment for certain physician services using California Healthcare, Research and Prevention Tobacco Tax Act (Proposition 56 Tobacco Tax) funds allocated for the 2017-18 State Fiscal Year. The supplemental payment will be for services rendered on or after July 1, 2017 through and including June 30, 2018.

The effective date of this SPA is July 1, 2017. Enclosed is the following approved SPA page that should be incorporated into your approved state plan:

- Supplement 27 to Attachment 4.19-B, page 1

If you have any questions, please contact Cheryl Young at 415-744-3598 or via email at Cheryl.Young@cms.hhs.gov.

Sincerely,

/s/

Henrietta Sam-Louie  
Associate Regional Administrator  
Division of Medicaid & Children’s Health Operations

cc: Connie Florez, California Department of Health Care Services (DHCS)  
Angel Rodriguez, DHCS  
Adam Neighbours, DHCS  
Nathaniel Emery, DHCS  
Wendy Ly, DHCS
**TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL**

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

<table>
<thead>
<tr>
<th>1. TRANSMITTAL NUMBER:</th>
<th>17-030</th>
</tr>
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<tbody>
<tr>
<td>2. STATE</td>
<td>California</td>
</tr>
<tr>
<td>3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)</td>
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**TO: REGIONAL ADMINISTRATOR**

Health Care Financing Administration
Department of Health and Human Services

**4. PROPOSED EFFECTIVE DATE**

July 1, 2017

**5. TYPE OF PLAN MATERIAL (Check One):**

- [x] NEW STATE PLAN
- [ ] AMENDMENT TO BE CONSIDERED AS NEW PLAN
- [ ] AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

**6. FEDERAL STATUTE/REGULATION CITATION:**

- Assembly Bill no. 120 (Stats. 2017, ch. 22, § 3, Item 4260-101-3305), Budget Act of 2017
- 42 CFR 447, Subpart F

**7. FEDERAL BUDGET IMPACT:**

<table>
<thead>
<tr>
<th>FFY</th>
<th>2017</th>
<th>2018</th>
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<tbody>
<tr>
<td></td>
<td>$122,026,564</td>
<td>$366,079,682</td>
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<tr>
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<td>$3,629,750</td>
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**8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:**

Supplement 27, Attachment 4.19-B, page 1

**9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):**

None

**10. SUBJECT OF AMENDMENT:**

One-year supplemental payment for certain physician services using Proposition 56 tobacco tax funds.

**11. GOVERNOR’S REVIEW (Check One):**

- [ ] GOVERNOR’S OFFICE REPORTED NO COMMENT
- [x] COMMENTS OF GOVERNOR’S OFFICE ENCLOSED
- [ ] NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:

The Governor’s Office does not wish to review the State Plan Amendment.

**ORIGINAL SIGNED**

State Medicaid Director

**15. DATE SUBMITTED:**

9/28/2017

**16. RETURN TO**

Department of Health Care Services
ATTN: State Plan Coordinator
1501 Capitol Avenue, Suite 71.326
P.O. Box 997417
Sacramento, CA 95899-7417

**FOR REGIONAL OFFICE USE ONLY**

**17. DATE RECEIVED:**

September 28, 2017

**18. DATE APPROVED:**

December 5, 2017

**19. EFFECTIVE DATE OF APPROVED MATERIAL:**

July 1, 2017

**20. SIGNATURE OF REGIONAL OFFICIAL:**

/s/

**21. TYPED NAME:**

Henrietta Sam-Louie

**22. TITLE:**

Associate Regional Administrator, Division of Medicaid & Children’s Health Operations

**23. REMARKS:**

Boxes 6 & 7: Pen and ink changes made per CA response to CMS informal questions dated 10/19/17.

Box 16: Pen and ink change made by CMS per CA email dated 11/27/17.
STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE: CALIFORNIA

ONE-YEAR SUPPLEMENTAL PAYMENT PROGRAM FOR CERTAIN PHYSICIAN SERVICES

This program provides supplemental reimbursement for eligible physician services provided to Medi-Cal beneficiaries. The supplemental reimbursements will be provided, above the base rates, for qualified physician services rendered between July 1, 2017 and June 30, 2018. The base rates for physician services will remain unchanged through this amendment.

A. Supplemental Reimbursement Methodology – General Provisions

1. The supplemental payment amounts are fixed by type of eligible physician service and are paid per claim based on the Current Procedural Terminology (CPT) Code, as outlined in the chart below. Eligible physician services include new and established patient office/outpatient visits, psychiatric diagnostic evaluations, psychiatric diagnostic evaluation with medical services, and psychiatric pharmacological management services.

<table>
<thead>
<tr>
<th>CPT Code</th>
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<tbody>
<tr>
<td>90863</td>
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<tr>
<td>99205</td>
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</table>

2. Providers eligible for the supplemental payments under this section do not include Federally Qualified Health Centers (FQHCs), Rural Health Centers (RHCs), and other providers that are reimbursed on a cost-based system.

TN: None
Approval Date: December 5, 2017
Effective Date: July 1, 2017